

## Roberts, Bradley

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**From:** Roberts, Bradley  
**Sent:** Thursday, July 11, 2013 3:05 PM  
**To:** 'Juan\_Somoano@oxy.com'  
**Subject:** Financial Assurance revisions  
**Attachments:** 264.151 f - corrected CFO Letter.docx; 264.151h - corrected CG.DOCX

Juan, As we spoke on the phone earlier, EPA requests that Occidental make some edits to their documentation of financial assurance. I understand this issue was brought to Occidental's attention in 2011, but not all of the requested revisions were instituted. Please see the attached corrected versions of the Corporate Guarantee and the Letter from Chief Financial officer. EPA accepts Occidental's submitted documents for this year, but please confirm for me (or have your financial office confirm) that Occidental agrees to make the changes for next year's submittal. If you have questions please let me know. If I can't answer, I will put you in contact with our financial reviewer. Thank you.

Brad Roberts, Environmental Scientist  
AWMD/WRAP/KNRP  
US EPA Region 7  
11201 Renner Blvd.  
Lenexa, KS 66219  
Phone: 913-551-7279  
Fax: 913-551-9279  
Email: [roberts.bradley@epa.gov](mailto:roberts.bradley@epa.gov)

RCRA



525307

July 10, 2013

MEMORANDUM

SUBJECT: Financial Assurance Review  
Financial Test / Corporate Guarantee

Guarantor: Occidental Petroleum Corporation  
Los Angeles, CA 90024

Owner/operator: Occidental Chemical Corporation  
Dallas, TX 75244

Facility: 6200 South Ridge Road  
Wichita, KS 67215  
EPA ID No. KSD 007482029

FROM: Michael Lancaster  
Financial Analyst - SEE Grantee  
AWMD/WEMM

TO: Brad Roberts  
Project Manager  
AWMD/WRAP

FINDINGS:

1. The current cost estimates of \$4,289,387, was adequately adjusted for inflation, as specified in 40 CFR §264.142(b).
2. The owner / operator passes the Financial Test, Alternate II, as specified in 40 CFR §264.143(f)(1)(ii).
3. The owner / operator submitted to the EPA the items required in 40 CFR §264.143(f)(3). However, it is recommended that the wording of the CFO Letter and of the Corporate Guarantee be modified to include reference to corrective action. Attached is a copy of each document on which is highlighted the recommended changes.

CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE  
OR CORRECTIVE ACTION CARE

Guarantee made this 27<sup>th</sup> day of March, 2013 by Occidental Petroleum Corporation, a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor. This guarantee is made on behalf of the Occidental Chemical Corporation, of 5005 LBJ Freeway, Dallas TX 75244-6119, which is our subsidiary, to the United States Environmental Protection Agency (EPA).

RECITALS

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. Occidental Chemical Corporation owns or operates the following hazardous waste management facility(ies) covered by this guarantee:

Occidental Chemical Corporation  
6200 South Ridge Road  
Wichita, Kansas 67215  
EPA ID No. KSD 007482029

The guarantee is for corrective action care.

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by subpart G of 40 CFR parts 264 and 265 for the closure and post-closure care of facilities as identified above.
4. For value received from Occidental Chemical Corporation, guarantor guarantees to EPA that in the event that Occidental Chemical Corporation fails to perform closure and post-closure and corrective action care of the above facility(ies) in accordance with the closure or post-closure or corrective action plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Occidental Chemical Corporation in the amount of the current closure or post-closure or corrective action cost estimates as specified in subpart H of 40 CFR parts 264 and 265.
5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days,



by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is(are) located and to Occidental Chemical Corporation that he intends to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Occidental Chemical Corporation. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless Occidental Chemical Corporation has done so.

6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care **or corrective action care**, he shall establish alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Occidental Chemical Corporation unless Occidental Chemical Corporation has done so.
8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure **or corrective action** plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure **or corrective action**, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR part 264 or 265.
9. Guarantor agrees to remain bound under this guarantee for as long as Occidental Chemical Corporation must comply with the applicable financial assurance requirements of subpart H of 40 CFR parts 264 and 265 for the above-listed facilities, except as provided in paragraph 10 of this agreement.
10. Guarantor may terminate this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is(are) located and to Occidental Chemical Corporation, provided that this guarantee may not be terminated unless and until Occidental Chemical Corporation obtains, and the EPA Regional Administrator(s) approve(s), alternate closure and/or post-closure care **and/or corrective action care coverage** complying with 40 CFR 264.100, 264.101, 264.143, 264.145, 265.143, and/or 265.145
11. Guarantor agrees that if Occidental Chemical Corporation fails to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s)

within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of Occidental Chemical Corporation.

12. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by Occidental Chemical Corporation. Guarantor also expressly waives notice of amendments or modifications of the corrective action, closure and/or post-closure plan and of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written, except for modifications as directed by the EPA.

Effective date: llllllllllll

[Name of guarantor] llllllllll

[Authorized signature for guarantor] llll

[Name of person signing] llllllll

[Title of person signing] llllll



Letter from Chief Financial Officer

I am the chief financial officer of Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and/or post-closure **and/or corrective action** costs, as specified in subpart H of 40 CFR parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

None

2. This firm guarantees, through the guarantee specified in subpart H of 40 CFR parts 264 and 265, the closure or post-closure **or corrective action** care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure **or corrective action** care so guaranteed are shown for each facility:

Occidental Chemical Corporation	Corrective Action	\$4,289,387
Wichita, Kansas 67215		
EPA ID No. KSD 007482029	Total	<u>\$4,289,387</u>

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

3. In States where EPA is not administering the financial requirements of subpart H of 40 CFR part 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure **or corrective action** care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure **and/or corrective action** cost estimates covered by such a test are shown for each facility:

(N.B. – It is recommended that the Guarantor identify the cost estimate for each facility as either closure, post-closure and/or corrective action. No other changes to the CFO Letter is recommended other than in the “certification” paragraph noted below)

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below, **except for modifications as directed by the EPA.**

[Signature] |||||  
[Name] |||||  
[Title] |||||  
[Date] |||||